



Mersey Internal Audit Agency

# DRAFT Internal Audit Plan 2020/2021

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Cheshire Fire Authority / Fire and Rescue Service

# Contents

1. Executive Summary
2. Plan On A Page: Your Internal Audit Plan
3. Your Internal Audit, Assurance and Advisory Services
4. Your Risk Assessment
5. Operational Internal Audit Plan 20/21

Appendix A 3 Year Strategic Audit Plan

# 1. Executive Summary

## Your Audit Team

### Your Risk Assessment

A strong risk assessment underpins the Internal Audit Plan. We have clearly set out the risks which have been prioritised within the audit plan and those which are not.

### Your Internal Audit Plan

Your internal audit plan includes core assurances, national and regional risk areas, strategic risks from your Risk Register and management requests. MIAA insights, including benchmarking, briefings and events will be integral to your plan. Your fees for 2020/2021 are **£22,700**

### Your Team

Your team will be led by Steve Connor, Engagement Lead and Anne-marie Harrop, Engagement Manager. We can confirm sufficient resources, including specialist expertise have been established to delivery your plan.



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# 1. Executive Summary

## Impact of Covid-19

We fully appreciate the challenging circumstance in which the organisation is currently working and recognise that it is not practical to try to continue to deliver an Internal Audit Plan as we would do normally as business as usual.

We will be supporting the organisation with its governance arrangements, and our short term focus (two/three months) will be on our advisory role, redeployment of staff to the frontline NHS provide capacity and any additional support we can provide to the organisation.

We recognise that this will mean little or no audit work in the first quarter of 2020/21 and we would urge you to use us to support any revised governance arrangements, new system developments, changes to processes and documentation, to support future assurance.

Over the coming weeks, we will be looking at how organisations have responded to Covid-19 and will share this insight with you to promote best practice and sharing of solutions.

## Your Internal Audit Plan

- Where audits are required, these will be conducted remotely (We will work with you to identify the work that will add the most value at this time)
- We will postpone any planned audits of areas providing critical services (or require input from key individuals)
- Where appropriate, we will seek agreement with you to extend due dates for the implementation of actions based on new risks/priorities.
- We will undertake an ongoing risk assessment based on your organisation's response to date, in order to understand any revised internal audit priorities.
- We will continue to fully communicate with the Audit Committee to keep them apprised as things develop
- We will continue to discuss with the organisation the impact of Covid-19 on its 1<sup>st</sup> and 2<sup>nd</sup> lines of defence and the potential internal control implications.

At this point in time, we do not consider that this will compromise our ability to fully deliver an Internal Audit Service and Head of Internal Audit Opinion for 2020/21.

# 2. Plan On A Page: Your Internal Audit Plan

## Planning Approach

- Risk Assessment of the external environment, system and organisation (including the Integrated Risk Management Plan).
- Engagement of Service Management Team to influence the plan.
- Use of MIAA's client risk database to inform planning.
- Coverage of Critical Business Systems to support organisation's objectives through the strategic internal audit plan.
- Provision of sufficient resources and expertise.
- Compliance with Public Sector Internal Audit Standards.

## Your Plan

### Protection and Organisational Performance

**Risk management** arrangements will be evaluated to ensure these are operating effectively throughout the organisation and we will continue to attend Risk Management Board.

### Corporate Services

To provide assurance on the procedures and controls relating to **Core Financial Systems**. Preparations for the **National Fraud Initiative Data Matching** will continue.

### Service Delivery / Operational Policy and Assurance

On a rolling programme basis we will review the effectiveness of systems to govern and performance manage **collaboration arrangements**. We will also evaluate the effectiveness of the programme to modernise and manage the service's **estate**.

### People

Assurance in respect of the new Payroll arrangements and Pensions

### Follow up and Contingency

Follow Up, Contingency

## Outcomes

Head of Internal Audit Opinion to inform the AGS

Assignment assurance levels

The use of data analytics in a range of ways in how we gather, analyse and present data.

Insight driven dynamic reporting through tools such as heat maps and infographics.

Recommendations, advice, and guidance to enhance the control environment

Insights through briefings.

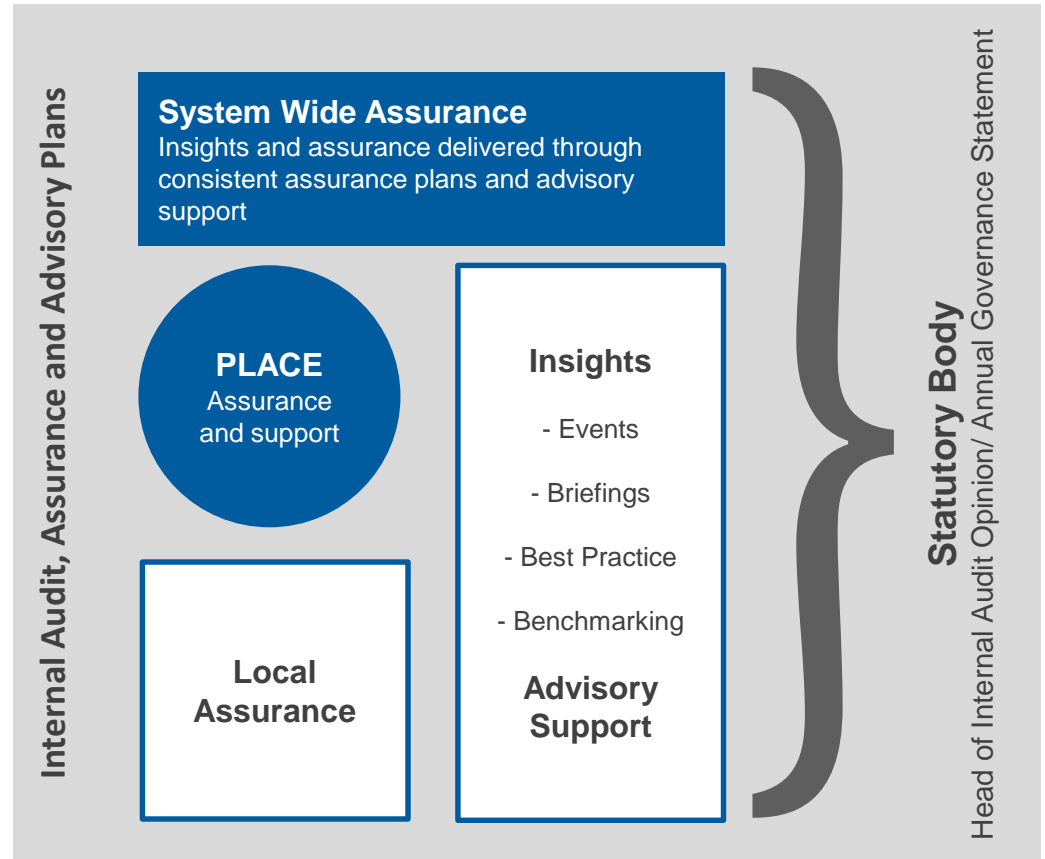
# 3. Your Internal Audit, Assurance and Advisory Services

The public sector landscape in England continues to change, with huge funding pressures across all public services.

Our vision is for MIAA to continue to be a Trusted Advisor through the retention of personalised, local focus and relationships with the added benefits provided by an at scale provider.

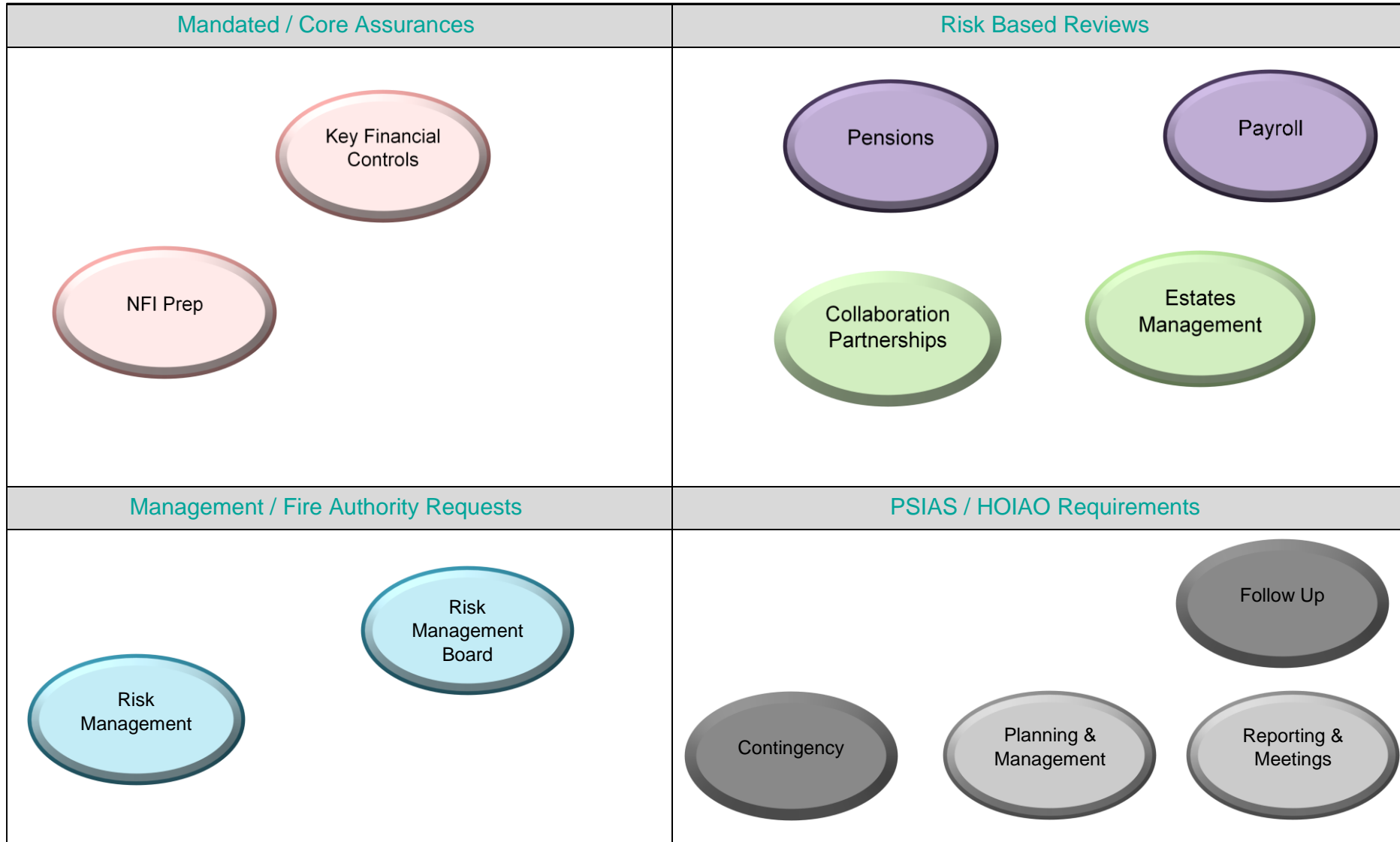
This is about MIAA building on its shared services capability to create a comprehensive offering, which provides insight and supports transformation change whilst operating efficiently.

MIAA continue to review and re-engineer our audit plans and the way we provide assurance to meet your needs in the changing landscape. This is about risk assessment at every level and regrouping audit, anti-fraud plans and advisory commissions to support organisations and local systems.



# 4. Your risk assessment

Your risk assessment is built from national and local system risks, place based developments and your local strategic risk assessment.



## 5. 2020/21 Operational Internal Audit Plan

| Review & Scope   | Rationale                           | Audit Days | Planned Delivery | Lead   |
|--|-------------------------------------|------------|------------------|--|
| <b>Protection and Organisational Performance</b>   |                                     |            |                  |  |
| <b>Risk Management:</b> <i>Evaluation of the effectiveness of risk management within the service.</i>  | PSIA/ Risk Management Board Request | 10         | Q3               | Director of Governance & Commissioning                   |
| <b>Risk Management Board:</b> <i>Attendance and contribution to Risk Management Board</i>  | Management Request                  | 1          | Q1 – Q4          | Director of Governance & Commissioning                   |
| <b>Corporate Services</b>  |                                     |            |                  |  |
| <b>Key Financial Controls:</b> <i>To provide assurance on the operation of the key financial controls.</i>   | IRMP/Risk Register                  | 10         | Q3               | Treasurer / Head of Finance                              |
| <b>National Fraud Initiative (NFI) Data Matching:</b> <i>Preparations for the NFI data match exercise including data release and staff notification.</i>   | Mandated Requirement                | 4          | Q3               | Director of Governance & Commissioning / Head of Finance |
| <b>Service Delivery / Operational Policy and Assurance</b>   |                                     |            |                  |  |
| <b>Collaboration and Partnerships:</b> <i>A rolling programme of reviews to evaluate the effectiveness of systems to govern and performance manage collaboration arrangements, to assure value for money. This year we will focus on Blue Light Collaboration.</i> | IRMP/ Strategic Risk Register       | 10         | Q3               | Director of Governance & Commissioning                   |
| <b>Estates Management:</b> <i>Evaluation of the programme to modernise and manage the service's estate.</i>  | IRMP/ Strategic Risk Register       | 10         | Q2               | Head of Estates  |



| Review & Scope   | Rationale  | Audit Days                            | Planned Delivery | Executive Lead                         |
|--|--|---------------------------------------|------------------|--|
| <b>People</b>  |  |                                       |                  |  |
| <b>Payroll:</b> <i>Assessment of the new payroll arrangements and the effectiveness of payroll related controls.</i>   | Management Request/<br>Risk Register               | 10                                    | Q3               | Director of Governance & Commissioning |
| <b>Pensions ( Carry Forward Days 2019/20):</b> <i>Management requested a change to the utilisation of the carry forward days to evaluate the effectiveness of management controls over pensions instead of Professional Standards.</i> | Management Request/<br>Risk Register               | 10 carry forward                      | Q2               | Director of Governance & Commissioning |
| <b>FOLLOW UP &amp; CONTINGENCY</b>   |  |                                       |                  |  |
| <b>Follow Up</b>   | Public Sector Internal Audit Standards Requirement | 4                                     | Q1 – Q4          | Director of Governance & Commissioning |
| <b>Contingency</b>   | Public Sector Internal Audit Standards Requirement | 1                                     | Q1 – Q4          | Director of Governance & Commissioning |
| <b>PLANNING &amp; REPORTING</b>  |  |                                       |                  |  |
| <b>Planning, Management, Reporting and Meetings</b>  | Public Sector Internal Audit Standards Requirement | 10                                    | Q1 – Q4          | Director of Governance & Commissioning |
| <b>Total Plan Days</b>   |  | <b>70 plus 10 carry forward 19/20</b> |                  |  |

*The Internal Audit Risk assessment and plan will be reviewed on an ongoing basis throughout the year and any requests for change discussed and approved via the Performance & Overview Committee. A formal 6 month review of the plan will also take place.*

# Appendix A 3 Year Strategic Audit Plan

Your 3 year strategic audit plan is set out below.

2019/20

- Financial Systems
- Cost Improvement/ PBB
- Collaboration / Partnerships
- IT Resilience
- Professional Standards
- Safety Central – Volunteers
- HMICFRS (Carry Forward 18/19)
- Phishing (Carry Forward 18/19)

2020/21

- Financial Systems
- Collaboration / Partnerships
- Payroll
- Pensions (Carry forward 19/20)
- Estates Management
- Risk Management
- National Fraud Initiative Prep

2021/22

- Financial Systems
- Collaboration / Partnerships
- Cyber Security
- Professional Standards
- Station Thematic Review
- Health & Wellbeing
- National Fraud Initiative